

News Release

Date: December 9, 2010
Contact: Jon Haubert
(303) 623-0987
jhaubert@westernenergyalliance.org

Western Energy Alliance Releases "Dashboard" Showing Trends in Western Oil and Natural Gas Development

Compilation of government data shows continued decline in leasing, royalties

(Denver)-- Western Energy Alliance today announced the release of a compilation of government data related to oil and natural gas development on western public lands. Because government data of this sort are difficult to access, Western Energy Alliance has compiled the data to help policymakers, the media and the general public identify trends in western oil and gas development over time.

This new data resource shows a continued decrease in the productive use of public lands for domestic oil and natural gas development, and a significant corresponding decline in revenue to federal and state governments. The Bureau of Land Management (BLM) has overseen a 79% drop in leases issued over five years in Colorado, Montana, New Mexico, North Dakota, Utah, and Wyoming. Leasing revenue dropped 46% over the same period, and overall onshore royalties have declined 33% over two years.

"Western Energy Alliance remains dedicated to providing timely and credible data to enable policymakers to make informed decisions on how to best manage our public lands," said Spencer Kimball, Manager of Government Affairs. "Our 'Western Oil and Natural Gas Dashboard' reveals a clear trend toward decreased access of the American people to oil and natural gas on public lands. This trend, if continued, will result in a decline in energy development with a resulting loss of jobs, and less revenue for federal and state treasuries at a time when Americans are very concerned about out-of-control deficits and spending."

Notable Trends:

Employment

- Employees of the oil and natural gas industry in the West typically earn 86% more than the state average and 67% more than the U.S. average
- The oil and natural gas industry supports 488,000 jobs in the West (8.1% of total regional employment)
- Western oil and natural gas employees receive over \$27 billion in annual labor income (10.3% of total regional labor income)

Tax and Royalty Revenues

- Revenue from onshore federal royalties, rents, and bonuses declined from \$4.2 billion to \$2.8 billion between 2008 and 2010, a 33% decrease
- Every dollar appropriated for BLM's Onshore Oil & Gas Management Program generates over \$40 in royalty, rent, and bonus revenue for the federal treasury
- In 2009, oil and natural gas development in the West provided \$6.6 billion in direct government revenue, which is used for impacted communities, schools, conservation funds, and other public benefits.

Production & Reserves

- The West produces 27% of total U.S. natural gas and 14% of total U.S. oil
- In 2009, 42% of western oil and natural gas was produced on federal lands

Land Use

- Actual surface disturbance from oil and natural gas development is just 0.07% of total public lands in the West
- Of the 700 million acres of BLM-managed mineral estate, just 6.4% is leased for oil and natural gas development

Leasing

- BLM offices in the West issued 531 leases in FY 2010, a 79% drop from the 2,499 leases issued in FY2005
- Since FY2005, BLM has offered 60% fewer parcels and 70% fewer acres
- Leasing revenue dropped 46% from \$189.6 million in FY2005 to \$101.6 million in FY2010
- Since 1984, total leases in effect in the West declined 52% and acreage declined 61%
- BLM sold 75% fewer acres and issued 84% fewer acres in FY2010 than it did in FY2005
- In the first two years of the Obama administration, BLM issued 76% fewer acres than the first two years of the Clinton administration, and 71% fewer acres than the first two years of the Bush administration

Leasing by State

Colorado

- Colorado BLM issued 34 leases in FY2010, an 88% drop from the 272 leases issued in FY2005
- Leasing revenue dropped 85% from \$18.4 million in FY2005 to \$2.7 million in FY2010
- Since FY2005, 87% of offered parcels have been protested

Montana/Dakotas

- Montana BLM issued 70 leases in FY2010, a 77% drop from the 306 leases issued in FY2005
- Since 1984, total leases in effect in Montana declined 66% and the total number of acres declined 74%
- North Dakota BLM issued 23 leases in FY2010, a 90% drop from the 229 leases issued in FY2005

New Mexico

- Leasing revenue dropped 56%, from \$54.3 million in FY2005 to \$23.9 million in FY2010
- New Mexico BLM issued 30,660 acres in FY2010, an 84% drop from the 184,786 acres issued in FY2005

Utah

- Utah BLM issued 21 leases in FY2010, a 97% drop from the 617 leases issued in FY2005
- Leasing revenue dropped 96% from \$33.8 million in FY2005 to \$1.4 million in FY2010
- Since 1984, total leases in effect in Utah have declined 71%, and the total number of acres has declined 75%

Wyoming

- Wyoming BLM issued 314 leases in FY 2010, a 61% drop from the 797 leases issued in FY2005
- Since FY2008, 90% of offered parcels have been protested

###

About Western Energy Alliance

Western Energy Alliance, founded in 1974, is a non-profit trade association representing more than 400 independent natural gas and oil producers, service and supply companies, banking and financial institutions, industry consultants, and their 480,000 employees who are committed to environmentally responsible natural gas and oil development in the Intermountain West. More information on Western Energy Alliance and its members is available at www.westernenergyalliance.org.